

House Bill 410 (AS PASSED HOUSE AND SENATE)

By: Representative Knox of the 24<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Titles 33 and 48 of the Official Code of Georgia Annotated, relating, respectively,  
2 to insurance and revenue and taxation, so as to change certain provisions relating to amount  
3 and method of computing tax on insurance premiums generally; to provide for an exemption  
4 from certain local insurance premium taxes on premiums for certain high deductible health  
5 plans; to change certain provisions relating to amount and method of computing certain local  
6 insurance premium taxes; to change certain provisions regarding the income tax exclusion  
7 for certain premiums for certain high deductible health plans; to change certain provisions  
8 regarding the income tax credit for qualified health insurance expenses; to provide for  
9 automatic repeal of certain provisions; to provide for an effective date; to provide for  
10 applicability; to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by  
14 revising subsection (c) of Code Section 33-8-4, relating to amount and method of computing  
15 tax on insurance premiums generally, as follows:

16 "(c) Insurers shall be exempt from otherwise applicable state premium taxes as provided  
17 for in subsection (a) of this Code section on premiums paid by Georgia residents for high  
18 deductible health plans ~~sold or maintained in connection with a health savings account~~  
19 ~~under the applicable provisions of~~ as defined by Section 223 of the Internal Revenue  
20 Code."

21 **SECTION 2.**

22 Said title is further amended in Code Section 33-8-8.1, relating to county and municipal  
23 corporation taxes on life insurance companies, by adding a new subsection to read as  
24 follows:

25 "(a.1) Insurers shall be exempt from otherwise applicable local premium taxes as provided  
26 for in subsection (b) of this Code section on premiums paid by Georgia residents for high  
27 deductible health plans as defined by Section 223 of the Internal Revenue Code. This  
28 subsection shall stand repealed in its entirety on January 1, 2015."

### 29 SECTION 3.

30 Said title is further amended by revising subsection (a.1) of Code Section 33-8-8.2, relating  
31 to amount and method of computing local insurance premium taxes on insurance companies  
32 other than life insurance companies, as follows:

33 "(a.1) Insurers shall be exempt from otherwise applicable local premium taxes as provided  
34 for in subsection (a) of this Code section on premiums paid by Georgia residents for high  
35 deductible health plans ~~sold or maintained in connection with a health savings account~~  
36 ~~under the applicable provisions of~~ as defined by Section 223 of the Internal Revenue  
37 Code."

### 38 SECTION 4.

39 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
40 amended by revising paragraph (13.1) of subsection (a) of Code Section 48-7-27, relating to  
41 computation of taxable net income, as follows:

42 "(13.1) An amount equal to 100 percent of the premium paid by the taxpayer during the  
43 taxable year for high deductible health plans ~~established and used with a health savings~~  
44 ~~account under the applicable provisions of~~ as defined by Section 223 of the Internal  
45 Revenue Code to the extent the deduction has not been included in federal adjusted gross  
46 income, as defined under the Internal Revenue Code of 1986, and the expenses have not  
47 been provided from a health reimbursement arrangement and have not been included in  
48 itemized nonbusiness deductions;"

### 49 SECTION 5.

50 Said title is further amended by revising paragraphs (1) and (3) of subsection (a) of Code  
51 Section 48-7-29.13, relating to tax credit for qualified health insurance expenses, as follows:

52 "(1) 'Qualified health insurance' means a high deductible health plan as defined by ~~that~~  
53 ~~includes, at a minimum, catastrophic health care coverage which is established and used~~  
54 ~~with a health savings account under the applicable provisions of~~ Section 223 of the  
55 Internal Revenue Code."

56 "(3) 'Taxpayer' means an employer who employs directly, or who pays compensation to  
57 individuals whose compensation is reported on Form 1099, 50 or fewer persons and for  
58 whom the taxpayer provides high deductible health plans ~~that include, at a minimum,~~

59 ~~catastrophic health care coverage which are established and used with a health savings~~  
60 ~~account under the applicable provisions of as defined by Section 223 of the Internal~~  
61 Revenue Code and in which such employees are enrolled."

62 **SECTION 6.**

63 (a) This Act shall become effective upon its approval by the Governor or upon its becoming  
64 law without such approval and shall be applicable to all taxable years beginning on or after  
65 January 1, 2009, except as provided in subsection (b) of this section.

66 (b) Section 2 of this Act shall be applicable to all taxable years beginning on or after  
67 January 1, 2010.

68 **SECTION 7.**

69 All laws and parts of laws in conflict with this Act are repealed.